

## Period 4 Financial Statement 2014/15

1<sup>st</sup> September 2014

### 1 Purpose of report

This report summarises the projected revenue budget outturn position to 31<sup>st</sup> March 2015, based on the position at period ending 31<sup>st</sup> July 2014. The report has been prepared in consultation with the Assessor.

### 2 Main Report

#### Projected Revenue Outturn 2014/15

2.1 The table below compares projected revenue outturn 2014/15 with the budget. The forecast variance, based on the position at 31<sup>st</sup> July, is an under spend of £0.011m. The table below details forecasts against the core revenue budget and Individual Electoral Registration (IER) income/expenditure that is subject to specific grant funding.

	Core Budget			IER Budget			Total		
	Budget £'000	Forecast £'000	Variance £'000	Budget £'000	Forecast £'000	Variance £'000	Budget £'000	Forecast £'000	Variance £'000
<b>Expenditure</b>									
Employee costs	4,562	4,530	(32)	0	0	0	4,562	4,530	(32)
Premises costs	629	612	(17)	0	0	0	629	612	(17)
Transport costs	103	104	1	0	0	0	103	104	1
Supplies & Services	695	715	20	0	0	0	695	715	20
Third Party Payments	95	116	21	700	700	0	795	816	21
Support Services	80	65	(15)	0	0	0	80	65	(15)
<b>Gross Expenditure</b>	<b>6,164</b>	<b>6,142</b>	<b>(22)</b>	<b>700</b>	<b>700</b>	<b>0</b>	<b>6,864</b>	<b>6,842</b>	<b>(22)</b>
<b>Income</b>									
Sales, Fees & Charges	(43)	(32)	11	0	0	0	(43)	(32)	11
IER Grant	0	0	0	(700)	(700)	0	(700)	(700)	0
Interest	(3)	(3)	0	0	0	0	(3)	(3)	0
<b>Total income</b>	<b>(46)</b>	<b>(35)</b>	<b>11</b>	<b>(700)</b>	<b>(700)</b>	<b>0</b>	<b>(746)</b>	<b>(735)</b>	<b>11</b>
<b>Net Expenditure</b>	<b>6,118</b>	<b>6,107</b>	<b>(11)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,118</b>	<b>6,107</b>	<b>(11)</b>

#### Forecasts to 31<sup>st</sup> March 2015

2.2 At this stage, the projected outturn against the core budget indicates a forecast spend of £6.107m which would result in a net under spend of £0.011m. The principal reasons for the variance are as follows:

- (a) **Employee cost - under spend £0.032m**  
This is due to the ongoing review of vacant posts.
- (b) **Premises costs - under spend £0.017m**  
This is mainly due to a projected under spend on utilities costs.
- (c) **Supplies and Services – over spend £0.020m**  
This is mainly due to increased levels of publicity for electoral registration relating to the Scottish Independence Referendum.

- (d) **Third Party Payments - over spend £0.021m**  
This is a result of a higher than anticipated activity of the Valuation Appeals Committee.
- (e) **Support Services – under spend £0.015m**  
The forecast has been based on the outturn for 2013/14. This will be reviewed later in the year when information becomes available for 2014/15.
- (f) **Income (sales, fees and charges) – under recovery £0.011m**  
This is an early estimate based on current income and the outturn for 2013/14. This will be reviewed later in the year, mainly in relation to sales of the electoral register which occurs during the final quarter of the financial year.

**Individual Electoral Registration – funding available 2014/15; £0.7m**

- 2.3 The table below details the one-off funding available for IER. The current forecast assumes that IER grant will either be fully spent during 2014/15 or any balance carried forward in to 2015/16. A review of costs will be carried out as part of the development of the 2015/16 revenue budget. This will seek to identify one-off costs and costs of a recurring nature that will impact on the 2015/16 budget.

Income	£'000
IER Grant funding 2014/15	594
IER Capital Hardware funding 2014/15	26
IER Grant funding carried from 2013/14	80
<b>Total</b>	<b>700</b>

- 2.4 Voluntary Early Release (VERA) and Redundancy Schemes were approved by the Board at its meeting on 4th February 2011.
- 2.5 In terms of Section 58 of the Local Government (Scotland) Act 1973, the Board has no specific power to retain reserves; however the Board has previously approved the retention of unspent funding contributions from constituent councils to meet future costs associated with early release measures, and, subject to further Board approval, any future unforeseen costs. The Board approved the retention of under spends for the four year period 2010-2014 totalling £0.514m. A drawdown of £0.093m was made during 2013/14, leaving a balance of £0.421m.

**3 Conclusions**

- 3.1 At this stage, there is a projected net under spend of £0.011m relating to Financial Year 2014/15.
- 3.2 The Board has no power to establish a general reserve; however a creditor has been set-aside to cover the cost of staffing early release measures. The balance available to the Board at 31<sup>st</sup> July 2014 is £0.421m.

**4 Recommendations**

- 4.1 The Board is recommended to note the projected outturn position for 2014/15.

**Hugh Dunn,  
Treasurer.**

**Background Papers:**

Held at the Office of Treasurer